

Workforce/Compensation

SUMMARY OF FY09 RECOMMENDATIONS

A. SUMMARY OF AGENCY REQUESTS

Montgomery County Public Schools (MCPS): The MCPS workforce for FY09, as recommended by the Board of Education (BOE), is 21,061.2 FTEs, or 216.7 FTEs greater than the FY08 workforce of 20,844.5 FTEs. The BOE has negotiated agreements with the public schools' three bargaining units, the Service Employees International Union (SEIU), the Montgomery County Education Association (MCEA), and the Montgomery County Association of Administrators and Supervisory Personnel (MCAASP). The contracts with these unions will expire on June 30, 2010. For more information on compensation and workforce changes, please see the Board of Education FY09 recommended budget document.

Montgomery College (MC): The net impact on the Montgomery College workforce for FY09, as recommended by the College and its Board of Trustees, is an increase of 104.8 workyears. This is accompanied by an increase in personnel costs of \$15.1 million. The primary factors in these changes are the full-year impact of prior year merit increases, reclassifications, promotions, FY09 compensation increases, and fringe benefit increases. For more information on compensation and workforce changes, please see the Montgomery College FY09 recommended budget document.

Maryland-National Capital Park & Planning Commission (M-NCPPC): The net impact on the Maryland-National Capital Park and Planning Commission workforce for FY09, as recommended by the Planning Board, is an increase in personnel costs of \$14.6 million. The increase includes adjustments for compensation, merit pay increases, retirement, and group insurance. For more information on compensation and workforce changes, please see the M-NCPPC FY09 recommended budget document.

Montgomery County Government (MCG): The net impact on the County government workforce for FY09, as recommended by the Executive, is an increase of 124.3 workyears. The recommended budget contains an increase in total personnel costs of \$47.0 million, or 5.1 percent. The primary factors in these changes are:

- | | |
|--|-----------------|
| | <u>Millions</u> |
| • General Wage Adjustments and service increments (\$35.0 million tax supported) | \$39.2 |

- | | |
|---|---------|
| • Net additional workyears | \$4.8 |
| • Changes in retirement contribution rates | (\$4.8) |
| • Changes in group insurance contribution rates | \$10.7 |
| • Expected early retirement savings | (\$5.0) |
| • Other personnel cost changes | \$2.1 |

FY09 COUNTY EXECUTIVE RECOMMENDED COMPENSATION ADJUSTMENTS	
GENERAL WAGE ADJUSTMENTS/SERVICE INCREMENTS	
Non-represented (non-public safety)	9,697,340
MCGEO and uniformed public safety mgmt.	18,807,180
FOP members and uniformed Police mgmt.	6,228,630
IAFF members and uniformed Fire mgmt.	4,480,580
TOTAL	\$39,213,730
PERFORMANCE-BASED PAY	(\$57,880)
TOTAL COMPENSATION ADJUSTMENTS	\$39,155,850

The recommendations in the remainder of this section are for the County government and are based upon the bargained agreements with the United Food and Commercial Workers, Local 1994 (Municipal and County Government Employees Organization – MCGEO), the International Association of Fire Fighters (IAFF), Local 1664, the Fraternal Order of Police (FOP), Lodge 35, and Montgomery County Volunteer Fire and Rescue Association (MCVFRA). Certain provisions of the agreements have been extended to unrepresented employees, as noted below.

B. COUNTY GOVERNMENT SALARY AND WAGES

GENERAL WAGE ADJUSTMENT: The Executive recommends the following general wage adjustments effective the first full pay period after July 1, 2008: 4.5 percent for all employees in the Office, Professional, and Technical (OPT) and Service, Labor, and Trades (SLT) bargaining units; 4.0 percent for all employees in the Police bargaining unit and Police uniformed managers; and 4.5 percent for all unrepresented employees, including Management Leadership Service (MLS) employees. The Executive also recommends a 2.0 percent increase effective the first full pay period after July 1, 2008, and 2.0 percent effective the first full pay period after January 1, 2009, for employees in the Fire and Rescue bargaining unit and Fire and Rescue uniformed managers. All recommended salary schedules are at the end of this section.

INCREMENTS: The Executive recommends service increments of 3.5 percent for all eligible employees.

MANAGEMENT LEADERSHIP SERVICE: The Executive recommends \$1,670,930 in the Compensation Adjustment NDA to fund performance-based pay increases to MLS Band I, II, and III employees.

C. COUNTY GOVERNMENT: EMPLOYEE BENEFITS

The following employee benefits are funded in the Executive's recommended budget through a combination of lump sum or payroll-based contributions.

- **FICA (Social Security & Medicare)**
- **Workers' Compensation**
- **Group Insurance**
- **Employees' Retirement System**
- **Retirement Savings Plan**

Social Security and Medicare: Contributions are collected from County departments and agencies each payday based on actual payroll. Since contribution rates and salary maximums change at the start of the calendar year, figures used in the recommended fiscal year budget represent an average of the rates set for 2008 and projected changes for 2009. While the rates (percentage of salary, which is contributed by both employer and employee) are not expected to change, the annual salary maximum on which to base FICA is projected to increase by about \$3,600 or 3.6 percent.

Workers' Compensation: This is handled through the County's Risk Management program under the Department of Finance. Departments with significant non-tax revenues make annual contributions to the Liability and Property Coverage Self-Insurance Fund. A lump sum contribution to the Fund for insurance for the remaining County departments is made annually through the Risk Management (General Fund portion) Non-Departmental Account. Participating County agencies also make annual lump sum contributions. Contributions for all members are set each year based on an actuarial valuation of claims experience for Workers' Compensation.

Group Insurance Benefits: The contributions for health insurance are based on fixed rates per coverage level, and the contribution for life insurance is based on fixed rates per coverage amounts based on an employee's salary. Overall, in calendar 2008, plan participants experienced a 4.3 percent increase in premiums from the previous year. Rate changes were made pursuant to an actuarial analysis of claims experience and previous rate actions. The County also used the fund balance exceeding the target 5 percent to mitigate what would have been a higher increase in premiums.

It is projected for the long term that the annual cost of group insurance for the County, including active employees and retirees, could increase an average of approximately

8.8 percent annually between FY09 and FY14. Contribution rates during this period will be set based on various factors, including the fund balance in the Health Insurance Fund and claims cost experience.

Retirement Benefits: Montgomery County government maintains a system of retirement pay and benefits for its employees which are intended to provide income during their retirement years. The County government's Employees' Retirement System (ERS) was established through legislation in 1965 and is found in the Montgomery County Code, Section 33. The Retirement Program, which currently provides benefits to approximately 4,997 retirees and survivors, is administered by the Office of Human Resources. Retirement plan design changes occurring through the collective bargaining process and by other means are coordinated by the Office of Human Resources in consultation with the County's actuaries, the Finance Department, and the Office of Management and Budget.

Retiree Health Benefits Trust: Beginning in FY08, the County implemented a plan to set aside funds for retiree health benefits, similar to what we have been doing for retiree pension benefits for more than 50 years. The reasons for doing this are simple: due to exponential growth in expected retiree health costs, the cost of funding these benefits, which are currently paid out as the bills come due, may soon become unaffordable. Setting aside money now and investing it in a Trust Fund, which will be invested in a similar manner as the pension fund, not only is a prudent and responsible approach, but will result in significant savings over the long term.

As a first step in addressing the future costs of retiree health benefits, County agencies developed current estimates of the costs of health benefits for current and future retirees. These estimates, made by actuarial consultants, concluded that the County's total future cost of retiree health benefits if paid out today, and in today's dollars, is \$2.6 billion – more than half the total FY09 budget for all agencies.

One approach used to address retiree health benefits funding is to determine an amount which, if set aside on an annual basis and actively invested through a trust vehicle, will build up over time and provide sufficient funds to pay future retiree health benefits. This amount, known as an Annual Required Contribution or "ARC", was calculated for County agencies last year to be \$240 million, or nearly \$190 million more than the previous annual payment for current retirees. Still too large an amount to be set aside all at once in FY08, the County chose a further approach of "ramping up" to the ARC amount over several years, with the amount set aside each year increasing steadily until the full ARC is reached. A total of \$31.9 million for all tax supported agencies was budgeted for this purpose in FY08.

For FY09, the ARC has been recalculated and is now estimated at \$250 million. This amount consists of two pieces – the annual amount the County would usually pay out for health benefits for current retirees (the pay as you go amount), plus the additional amount estimated as needed to fund retirees' future health benefits (the pre-funding portion). The pay as you go amount can be reasonably projected based on known facts about current retirees, and the pre-funding portion is estimated on an actuarial basis. For FY09, a ramp-up period of eight years has been assumed, up from the five year phase-in that was planned in FY08. This lengthening of the phase-in period is being implemented in response to the County's fiscal situation, and results in a contribution for all County tax-supported agencies of \$55.15 million in FY09, down from \$70.73 million called for under the previous plan. A detailed breakdown of the Retiree Health Benefit Trust contributions for tax supported agencies is displayed in the table below.

Proposed FY09 Retiree Health Benefits Trust Contributions	
	FY09
Montgomery County Government (MCG)	
<u>General Fund:</u>	
Retiree Health Benefits Trust NDA	\$19,571,930
<u>Proprietary Funds:</u>	
Bethesda Parking District	\$56,650
Wheaton Parking District	8,500
Silver Spring Parking District	45,320
Solid Waste Collection	25,490
Solid Waste Disposal	203,920
Liquor Control	883,670
Permitting Services	606,100
Community Use of Public Facilities	76,470
Motor Pool	472,990
Risk Management	33,990
Central Duplicating	84,970
<u>Participating Agency Contributions:</u>	
Housing Opportunities Commission	\$680,000
Revenue Authority	120,000
Strathmore Hall	70,000
Credit Union	50,000
Washington Suburban Transit Commission	10,000
Total MCG Trust Contributions	\$23,000,000
Montgomery County Public Schools Trust Fund	29,000,000
Montgomery College Trust Fund	900,000
Park and Planning Commission Trust Fund	2,250,000
Total FY09 Contributions	\$55,150,000

Retirement Plans:

- 1) The ERS consists of three plans including a Mandatory Integrated Retirement Plan, an Optional Non-Integrated Retirement Plan, and an Optional Integrated Plan.
- 2) The Retirement Savings Plan (RSP), a defined contribution plan, was established for all new OPT/SLT (non-public safety) and non-represented employees hired on or after October 1, 1994. Eligible employees in the ERS are allowed to transfer to the Retirement Savings

Plan. Both full-time and part-time employees can participate. Under this plan, the County and employee each make contributions at a set percentage of pay. These monies are deposited into investment vehicles of the employee's choosing designed to provide a retirement benefit directly to the employee.

Retirement Fund: The Board of Investment Trustees manages the assets of the ERS through its investment managers in accordance with the Board's asset allocation strategy. The Board also administers the investment program for the Retirement Savings Plan and the Montgomery County Deferred Compensation Plan. The Montgomery County Union Employees Deferred Compensation Plan is administered by the three unions representing Montgomery County employees. The Board currently consists of 13 trustees including: the Directors of Human Resources, Finance, Management and Budget, and the Council Staff; one member recommended by each employee organization; one active employee not represented by an employee organization; one retired employee; two members of the public recommended by the County Council; and two members of the general public. As a result of the re-opener negotiations with MCGEO, the County Executive will be proposing legislation to alter the composition of the Board of Investment Trustees, increasing the total membership to 16 trustees (two additional representatives for the OPT/SLT bargaining units and one additional public representative).

Change In Retirement System Membership: As indicated in the table "Retirement Funds: Enrollment and County Contribution Rates" at the end of this narrative, the number of active non-public safety employees in the ERS declined, the number of active public safety employees increased, and the number of employees in the RSP increased.

Funds for the County's contribution to the ERS for each member employee are included in the appropriate County government departmental budget or agency budget. Budgeted ERS contribution rates are displayed in the table "Retirement Funds: Enrollment and Contribution Rates" at the end of this narrative and are based on a 40-year funding schedule, with the exception of the additional costs from the FY94 and FY95 Retirement Incentive Program (RIP) which are being amortized on a 10-year schedule. The County uses multiple contribution rates designating the percentage of payroll for the various employee groups to determine the retirement contribution. These rates are determined annually by an actuarial valuation.

County contributions are determined using actuarially sound assumptions to assure the financial health of the Fund. Factors that affect the County's contributions include the impact of compensation adjustments, increases in the size of the workforce, investment returns, and col-

lectively bargained benefit changes. The ERS contribution rates reflect projections of revenues and expenses to the fund. Revenues include member contributions which are set at fixed percentages of salaries and investment income which is driven by both earnings in the market and the size of the Fund balance invested.

Expenses of the Fund include pension payments which are affected by mandated cost-of-living increases and changes in the number of retirees and survivors; administrative and operational expenses of the Fund managers and financial consultants; and charges for services provided by County staff in the Board of Investment Trustees, Finance, and Human Resources.

The Executive recommends the establishment of an early retirement incentive program in order to produce long term savings for the County Government. The details of the program remain to be further defined, but will apply to non-public safety employees. It is expected that nearly 100 employees will participate in this program and that approximately 50 of the positions that will be vacated as a result of the program will be permanently abolished.

COLLECTIVE BARGAINING

Fire and Rescue Bargaining Unit:

International Association of Fire Fighters, Local 1664: The current agreement expires June 30, 2008. The County Executive and IAFF reached agreement, subject to ratification, on a three-year contract effective July 1, 2008 to June 30, 2011. The agreement's salient economic terms include:

- ❖ A general wage adjustment of 2.0 percent effective the first full pay period after July 1, 2008, 2.0 percent in January 2009, 4.0 percent in July 2009, and 3.5 percent in July 2010.
- ❖ A new longevity adjustment at 28 years of service in July 2009, and an additional step on the salary schedule in July 2010.
- ❖ A service increment of 3.5 percent for eligible employees.
- ❖ New primary and backup scheduler differential in July 2008; and increase in hazardous materials, breathing apparatus technician certification, fire code, fire investigation, urban search and rescue, swift water rescue, and scheduler assignment pay, as well as an increase in ECC certification pay, in July 2009.
- ❖ Effective January 2009, County contribution for prescription insurance fixed to 80 percent of standard option (employee may buy-up at their own cost), generics are restricted, incentives are established for mail order, and high option copayments remain at \$4/\$8.
- ❖ Expansion of the list of illnesses for which an employee is automatically entitled to a service-connected disability retirement.
- ❖ A \$100 increase each year in tuition assistance.

- ❖ Establishment of random drug testing.
- ❖ Bottled water at each station and parking improvements at select stations are provided.

Montgomery County Volunteer Fire and Rescue Association (MCVFRA): The current agreement expires June 30, 2008. The County Executive and MCVFRA reached agreement, subject to ratification, on a three-year contract effective July 1, 2008 to June 30, 2011. The salient economic terms of the agreement include:

- ❖ Increased administrative support funding and a nominal fee for certain members.
- ❖ Turn-out boots and gear bags provided to active members.
- ❖ Increased number of contracts printed, association vehicle supplied, provision of one computer, development of online courses, and County sponsorship of annual awards dinner.
- ❖ Establishment of random drug testing.

OPT/SLT Bargaining Units:

Municipal and County Government Employees Organization (MCGEO), United Food and Commercial Workers, Local 1994: The current agreements expire June 30, 2010. The agreement's salient economic terms, including those negotiated through a reopener on health and pension issues, consist of:

- ❖ A general wage adjustment of 4.0, 4.5, and 4.5 percent effective the first full pay period in July 2007, 2008, and 2009, respectively.
- ❖ A service increment of 3.5 percent for eligible employees.
- ❖ An increase from 2 percent to 3 percent in longevity increment for unit members at pay grade maximum and 20 years of completed service effective January 2008.
- ❖ A \$100 increase each year in tuition assistance.
- ❖ A wage increase for employees on the seasonal wage scale of \$0.40 per hour in FY08 and \$0.45 per hour in fiscal 2009 and 2010.
- ❖ A 1.5 percent retention increment for Bus Operators after four years completed service and an additional 1.5 percent retention increment after six years of completed service effective January 2008.
- ❖ Implementation of a new salary schedule for Correctional Officers and adjustments to the Deputy Sheriffs salary schedule to include Sergeants and a new step for Deputy Sheriff III and Sergeant.
- ❖ Increase evening shift differential \$0.05 in FY08 and FY09; increase midnight shift differential \$0.05 in fiscal 09; implement the midnight shift differential for non-ECC Police Public Service Aides working the 8 pm to 6 am shift; increase advanced multilingual differential \$0.20 in FY08; and increase the field training differential \$0.25 in FY08 and FY10.
- ❖ Implementation of a gainsharing program to encourage and promote new, innovative ideas,

concepts and strategies to deliver County services and products cost effectively.

- ❖ Effective January 2009, County contribution for prescription insurance fixed to 80 percent of standard option (employee may buy-up at their own cost), generics are restricted, incentives are established for mail order, and high option copayments remain at \$4/\$8.
- ❖ In the Group E retirement plan, the social security integration multiplier increased from 1.25 to 1.65 percent
- ❖ Employer contribution increases from 6 to 8 percent in the Retirement Savings Plan in July 2008.
- ❖ Guaranteed Retirement Income Plan ("GRIP") offered July 1, 2009, which ensures an investment return of 7.25 percent, with a 6-month election period for employees hired on or after July 1, 2009.

Police Bargaining Unit:

Fraternal Order of Police Lodge 35: The current agreement expires June 30, 2010. The agreement's salient economic terms, including those negotiated through a reopener on health and pension issues, consist of:

- ❖ A \$3,151 increase to Step 0, Year 1 of pay plan – maintaining existing structure, in July 2007; general wage adjustments of 4.0 percent in July 2008 and 4.25 percent in July 2009.
- ❖ A service increment of 3.5 percent for eligible employees.
- ❖ Increase in the clothing allowance each year.
- ❖ A \$100 increase each year in tuition assistance.
- ❖ Increase in the shift differential each year.
- ❖ Full implementation of the Single Officer Fleet Vehicle program by July 1, 2009 including video cameras.
- ❖ Establish DROP program; increase credited service to a maximum of 36 years, including sick leave credits; and establish eligibility for unreduced pension with 25 years of service, regardless of age.
- ❖ Effective January 2009, County contribution for prescription insurance fixed to 80 percent of standard option (employee may buy-up at their own cost), generics are restricted, incentives are established for mail order, high option copayments are increased to \$5/\$10.

WORKFORCE ANALYSIS

Basis: Workforce Analysis has been performed on changes to tax supported and non-tax supported workyears (WYs) in the Executive's Recommended FY09 Operating Budget for the County government. Overall changes are calculated in comparison to the Approved Personnel Complement for FY08, which began on July 1, 2007. Changes shown reflect such factors as the addition of grant-funded positions; abolishments and creations to implement approved job sharing agreements; technical adjustments to remove positions currently associated with "group

positions" which can contain unlimited numbers of employees (temporary, seasonal, or contractual), but are defined by the amount of service in terms of workyears that they are to provide; and other miscellaneous changes. Changes recommended by the Executive for FY09 are in three categories: current year position changes due to supplemental appropriations or other actions, new fiscal year position changes scheduled to take effect July 1, 2008, and position changes scheduled for later in the fiscal year. In the latter case, the workyear change will be prorated for the portion of the year it is recommended.

Summary: The recommended budget includes funding for 9,005 full-time positions, a net increase of 26 from the approved FY08 Personnel Complement of 8,979 full-time positions. Funding for 1,104 part-time positions is included, a net decrease of 39 positions from the approved FY08 Personnel Complement of 1,143 positions.

Tax supported workyears account for 83.4 percent of the County's total workyears. Total tax supported workyears will decrease to 8,369.6 WYs in FY09, a decrease of 177.7 WYs or 2.1 percent. The primary reason for the reduction of tax supported workyears is the shifting of 249.0 workyears in the Department of Health and Human Services to the non-tax supported grant fund.

Total County government workyears will increase to 10,038.1 WYs in FY09, an increase of 124.3 WYs or 1.3 percent. When measured relative to population, total workyears per thousand population is relatively unchanged from FY08 (10.25 compared to 10.24).

Of the County's 8,369.6 tax supported workyears proposed for FY09, Public Safety departments account for 47.7 percent, or 3,988.9 workyears. Public Safety workyears will decrease by 25.4 workyears, or 0.6 percent from FY08 levels.

Detailed below are the significant net changes in the number of tax supported workyears in the FY09 Recommended Budget.

Program Changes (tax supported)	WYs
• Transit Services – net annualization of Ride On service reductions and County take-over of contracted bus services	95.2
• Fire and Rescue – net increase due to the opening of the West Germantown Fire Station	11.0
• Corrections – reductions related to overtime funding	-9.2
• Health and Human Services – reduction primarily due to a shift of the Crisis Center – Assertive Community Treatment (ACT) Team to the State	-10.8
• Police – Elimination of Community Services Division and Community Policing program	-12.9

MONTGOMERY COUNTY GOVERNMENT - MEDICAL PLAN ENROLLMENT, ACTIVE EMPLOYEES

HEALTH PLAN	2007					2008					CHANGE				
	EMP	EMP+1	FAM	TOTAL	%INSURED	EMP	EMP+1	FAM	TOTAL	%INSURED	EMP	EMP+1	FAM	TOTAL	%CHG
Carefirst POS	1,708	1,212	2,124	5,044	60.1%	1,891	1,298	2,234	5,423	61.5%	183	86	110	379	88.3%
Carefirst POS Std	111	24	65	200	2.4%	145	55	83	283	3.2%	34	31	18	83	19.3%
Kaiser	454	233	383	1,070	12.8%	521	230	404	1,155	13.1%	67	(3)	21	85	19.8%
United Healthcare*	620	467	991	2,078	24.8%	599	451	910	1,960	22.2%	(21)	(16)	(81)	(118)	-27.5%
Grand Total				8,392					8,821					429	

* Formerly Optimum Choice

RETIREMENT FUNDS: ENROLLMENT & COUNTY CONTRIBUTION RATES

Employee Retirement System Plans	Number Employees (7/1/06)	Fiscal 2008 Contribution Rate	Number Employees (7/1/07)	Fiscal 2009 Contribution Rate	Number Employees 7/06 v. 7/07	FY 08 v. 09 Contribution Rate
Public Safety						
Optional, Nonintegrated	23	81.61%	20	80.21%	(3)	-1.40%
Optional, Integrated	81	81.28%	75	73.63%	(6)	-7.65%
Mandatory Integrated	2,717	35.80%	2,837	32.53%	120	-3.27%
Subtotal Public Safety	2,821		2,932		111	
Non-Public Safety						
Optional, Nonintegrated	123	39.04%	104	35.22%	(19)	-3.82%
Optional, Integrated	229	35.90%	189	35.59%	(40)	-0.31%
Mandatory Integrated	2,189	22.26%	2,069	21.34%	(120)	-0.92%
Subtotal Non-Public Safety	2,541		2,362		(179)	
Total ERS System Plans	5,362		5,294		(68)	
Retirement Savings Plan	3,791	6.00%	4,253	8.00%	462	2.00%

MONTGOMERY COUNTY GOVERNMENT WORKFORCE CHANGE SUMMARY COUNTY EXECUTIVE RECOMMENDED: FY09

	POSITIONS		WORKYEARS		TOTAL WYs
	Full Time	Part Time	Tax Supported	Non-Tax Supp.	
FY08 APPROVED COMPLEMENT	8,979	1,143	8,547.3	1,366.5	9,913.8
FY09 RECOMMENDED COMPLEMENT	9,005	1,104	8,369.6	1,668.5	10,038.1
CHANGE IN WORKFORCE (GROSS)	26	(39)	(177.7)	302.0	124.3
Percentage Change	0.3%	(3.4%)	(2.1%)	22.1%	1.3%

PROPOSED OPERATING BUDGET DEFERRED COMPENSATION MANAGEMENT						
ITEM	FY07 ACTUAL	FY08 APPR	FY08 EST	FY09 REC	Change: FY09 vs. FY08 Appr. \$ %	
EXPENSES						
Salaries and Benefits	101,990	83,980	81,970	91,310	7,330	8.7%
Professional Services	4,420	11,700	6,200	6,870	(4,830)	(41.3%)
Due Diligence/Education	870	4,700	3,500	3,500	(1,200)	(25.5%)
Office Management	5,980	6,100	6,600	6,800	700	11.5%
Investment Management	29,460	32,000	24,100	17,000	(15,000)	(46.9%)
TOTAL EXPENSES	\$142,720	\$138,480	\$122,370	\$125,480	(\$13,000)	(9.4%)

Amounts shown above are not charged to the Deferred Compensation Plan trust but are instead appropriated and charged to the General Fund Compensation and Employee Benefits Adjustments Non-Departmental Account.

PROPOSED OPERATING BUDGET EMPLOYEES' RETIREMENT SYSTEM						
ITEM	FY07 ACTUAL	FY08 APPR	FY08 EST	FY09 REC	Change: FY09 vs. FY08 Appr. \$ %	
REVENUE						
County Contributions	109,436,000	113,000,000	112,000,000	110,000,000	(3,000,000)	(2.7%)
Employee Contributions	16,362,460	16,000,000	16,000,000	17,500,000	1,500,000	9.4%
Investment Income	420,041,360	200,000,000	223,400,000	243,000,000	43,000,000	21.5%
Miscellaneous Income	805,660	690,000	750,000	800,000	110,000	15.9%
TOTAL REVENUE	546,645,480	329,690,000	352,150,000	371,300,000	41,610,000	12.6%
EXPENSES						
OPERATING EXPENSES						
Retirement Benefits	137,625,750	150,720,000	150,950,000	164,720,000	14,000,000	9.3%
Investment Management	12,014,390	9,349,300	10,242,000	11,055,000	1,705,700	18.2%
SUBTOTAL	149,640,140	160,069,300	161,192,000	175,775,000	15,705,700	9.8%
ADMINISTRATIVE EXPENSES						
Salaries and Benefits	1,215,260	1,209,430	1,209,430	1,363,050	153,620	12.7%
Professional Services	550,110	845,130	900,430	788,930	(56,200)	(6.6%)
Benefit Processing	486,150	375,000	375,000	375,000	0	0.0%
Due Diligence/Education	21,560	38,500	48,500	51,500	13,000	33.8%
Office Management	128,140	152,700	151,800	242,660	89,960	58.9%
SUBTOTAL	2,401,220	2,620,760	2,685,160	2,821,140	200,380	7.6%
TOTAL EXPENSES	\$152,041,360	\$162,690,060	\$163,877,160	\$178,596,140	\$15,906,080	9.8%
NET REVENUE	\$394,604,120	\$166,999,940	\$188,272,840	\$192,703,860	\$25,703,920	15.4%

PROPOSED OPERATING BUDGET RETIREMENT SAVINGS PLAN						
ITEM	FY07 ACTUAL	FY08 APPR	FY08 EST	FY09 REC	Change: FY09 vs. FY08 Appr. \$ %	
REVENUE						
Investment Income	48,270	32,000	24,000	24,000	(8,000)	(25.0%)
Miscellaneous Income	573,690	300,000	300,000	300,000	0	0.0%
TOTAL REVENUE	621,960	332,000	324,000	324,000	(8,000)	(2.4%)
EXPENSES						
OPERATING EXPENSES						
Investment Management	30,630	32,000	24,100	17,000	(15,000)	(46.9%)
SUBTOTAL	30,630	32,000	24,100	17,000	(15,000)	(46.9%)
ADMINISTRATIVE EXPENSES						
Salaries and Benefits	203,170	131,840	131,840	190,620	58,780	44.6%
Professional Services	72,520	118,100	101,100	114,100	(4,000)	(3.4%)
Due Diligence/Education	4,880	5,700	4,500	4,500	(1,200)	(21.1%)
Office Management	20,880	12,100	13,100	14,890	2,790	23.1%
SUBTOTAL	301,450	267,740	250,540	324,110	56,370	21.1%
TOTAL EXPENSES	\$332,080	\$299,740	\$274,640	\$341,110	\$41,370	13.8%

GENERAL SALARY SCHEDULE

FISCAL YEAR 2009

EFFECTIVE JULY 6, 2008

GRADE	MINIMUM	MID-POINT	MAXIMUM	PERFORMANCE LONGEVITY
				MAXIMUM*
5	\$24,239	\$30,842	\$37,444	\$38,193
6	\$25,167	\$32,085	\$39,003	\$39,784
7	\$26,148	\$33,410	\$40,672	\$41,486
8	\$27,165	\$34,844	\$42,522	\$43,373
9	\$28,238	\$36,353	\$44,468	\$45,358
10	\$29,371	\$37,969	\$46,567	\$47,499
11	\$30,558	\$39,658	\$48,758	\$49,734
12	\$31,797	\$41,430	\$51,062	\$52,084
13	\$33,107	\$43,295	\$53,483	\$54,553
14	\$34,484	\$45,257	\$56,030	\$57,151
15	\$35,923	\$47,308	\$58,693	\$59,867
16	\$37,457	\$49,478	\$61,498	\$62,728
17	\$39,157	\$51,799	\$64,441	\$65,730
18	\$40,952	\$54,243	\$67,533	\$68,884
19	\$42,883	\$56,828	\$70,773	\$72,189
20	\$44,900	\$59,541	\$74,181	\$75,665
21	\$47,028	\$62,392	\$77,756	\$79,312
22	\$49,253	\$65,383	\$81,513	\$83,144
23	\$51,598	\$68,531	\$85,463	\$87,173
24	\$54,054	\$71,825	\$89,596	\$91,388
25	\$56,631	\$75,288	\$93,944	\$95,823
26	\$59,345	\$78,929	\$98,513	\$100,484
27	\$62,168	\$82,739	\$103,309	\$105,376
28	\$64,960	\$86,652	\$108,343	\$110,510
29	\$67,890	\$90,759	\$113,628	\$115,901
30	\$70,971	\$95,077	\$119,183	\$121,567
31	\$74,206	\$99,608	\$125,010	\$127,511
32	\$77,596	\$103,216	\$128,836	\$131,413
33	\$81,161	\$106,913	\$132,664	\$135,318
34	\$84,904	\$110,700	\$136,495	\$139,225
35	\$88,837	\$114,580	\$140,322	\$143,129
36	\$92,966	\$118,560	\$144,153	\$147,037
37	\$97,296	\$122,637	\$147,977	\$150,937
38	\$101,846	\$126,614	\$151,381	\$154,409
39	\$106,622	\$130,116	\$153,610	\$156,683
40	\$111,640	\$133,739	\$155,837	\$158,954

*A one-time 2.0 percent performance-based longevity increment is provided to employees who have received performance ratings of "exceptional" or "highly successful" for the two most recent consecutive years, are at the top of their pay grade, and have 20 years completed service.

MANAGEMENT LEADERSHIP SERVICE SALARY SCHEDULE

FISCAL YEAR 2009

EFFECTIVE JULY 6, 2008

<u>GRADE</u>	<u>MLS LEVEL</u>	<u>MINIMUM</u>	<u>CONTROL POINT</u>	<u>MAXIMUM</u>
M1	MANAGEMENT LEVEL I	\$84,407	\$143,367	\$149,917
M2	MANAGEMENT LEVEL II	\$73,811	\$127,974	\$133,992
M3	MANAGEMENT LEVEL III	\$63,411	\$110,652	\$115,901

MINIMUM WAGE / SEASONAL SALARY SCHEDULE

FISCAL YEAR 2009

EFFECTIVE JULY 6, 2008

<u>GRADE</u>	<u>MINIMUM</u>		<u>MAXIMUM</u>	
	<u>ANNUAL</u>	<u>HOURLY</u>	<u>ANNUAL</u>	<u>HOURLY</u>
Grade S1	\$14,560	\$7.0000	\$17,943	\$8.6264
Grade S2	\$16,322	\$7.8471	\$20,435	\$9.8245
Grade S3	\$18,378	\$8.8351	\$23,111	\$11.1106
Grade S4	\$20,435	\$9.8245	\$25,786	\$12.3971
Grade S5	\$23,180	\$11.1442	\$29,352	\$14.1111
Grade S6	\$28,666	\$13.7817	\$36,482	\$17.5394
Grade S7	\$34,236	\$16.4596	\$43,728	\$21.0226
Grade S8	\$39,987	\$19.2245	\$51,202	\$24.6163

MEDICAL DOCTORS SALARY SCHEDULE

FISCAL YEAR 2009

EFFECTIVE JULY 6, 2008

<u>GRADE</u>	<u>MEDICAL JOB CLASS</u>	<u>MINIMUM</u>	<u>MID-POINT</u>	<u>MAXIMUM</u>
MD I	MEDICAL DOCTOR I	\$94,692	\$119,354	\$144,015
MD II	MEDICAL DOCTOR II	\$104,160	\$131,288	\$158,416
MD III	MEDICAL DOCTOR III	\$114,575	\$144,416	\$174,256
MD IV	MEDICAL DOCTOR IV	\$126,033	\$158,858	\$191,682

**OFFICE, PROFESSIONAL & TECHNICAL BARGAINING UNIT
AND
SERVICE, LABOR & TRADES BARGAINING UNIT
SALARY SCHEDULE**

FISCAL YEAR 2009

EFFECTIVE JULY 6, 2008

<u>GRADE</u>	<u>MINIMUM</u>	<u>MID-POINT</u>	<u>MAXIMUM</u>	<u>L1*</u>
5	\$24,239	\$30,842	\$37,444	\$38,568
6	\$25,167	\$32,085	\$39,003	\$40,174
7	\$26,148	\$33,410	\$40,672	\$41,893
8	\$27,165	\$34,844	\$42,522	\$43,798
9	\$28,238	\$36,353	\$44,468	\$45,803
10	\$29,371	\$37,969	\$46,567	\$47,965
11	\$30,558	\$39,658	\$48,758	\$50,221
12	\$31,797	\$41,430	\$51,062	\$52,594
13	\$33,107	\$43,295	\$53,483	\$55,088
14	\$34,484	\$45,257	\$56,030	\$57,711
15	\$35,923	\$47,308	\$58,693	\$60,454
16	\$37,457	\$49,478	\$61,498	\$63,343
17	\$39,157	\$51,799	\$64,441	\$66,375
18	\$40,952	\$54,243	\$67,533	\$69,559
19	\$42,883	\$56,828	\$70,773	\$72,897
20	\$44,900	\$59,541	\$74,181	\$76,407
21	\$47,028	\$62,392	\$77,756	\$80,089
22	\$49,253	\$65,383	\$81,513	\$83,959
23	\$51,598	\$68,531	\$85,463	\$88,027
24	\$54,054	\$71,825	\$89,596	\$92,284
25	\$56,631	\$75,288	\$93,944	\$96,763
26	\$59,345	\$78,929	\$98,513	\$101,469
27	\$62,168	\$82,739	\$103,309	\$106,409

* Completion of 20 years of service and at maximum for pay grade.

SHERIFF MANAGEMENT SALARY SCHEDULE

FISCAL YEAR 2009

EFFECTIVE JULY 6, 2008

<u>GRADE</u>	<u>RANK</u>	<u>MINIMUM</u>	<u>MAXIMUM</u>	<u>LONGEVITY*</u>
D2	DEPUTY SHERIFF LIEUTENANT	\$60,460	\$94,571	\$97,409
D3	DEPUTY SHERIFF CAPTAIN	\$72,553	\$114,215	\$117,642
D4	DEPUTY SHERIFF COLONEL	\$83,436	\$131,762	\$135,715

* Completion of 20 years of service and at maximum for pay grade.

DEPUTY SHERIFF SALARY SCHEDULE

FISCAL YEAR 2009

EFFECTIVE JULY 6, 2008

<u>YEAR</u>	<u>STEP</u>	<u>DS I</u>	<u>DS II</u>	<u>DS III</u>	<u>SGT</u>
1	0	\$43,642	\$46,697	\$49,966	\$54,963
2	1	\$45,170	\$48,332	\$51,715	\$56,887
3	2	\$46,751	\$50,024	\$53,526	\$58,879
4	3	\$48,388	\$51,775	\$55,400	\$60,940
5	4	\$50,082	\$53,588	\$57,339	\$63,073
6	5	\$51,835	\$55,464	\$59,346	\$65,281
7	6	\$53,650	\$57,406	\$61,424	\$67,566
8	7	\$55,528	\$59,416	\$63,574	\$69,931
9	8	\$57,472	\$61,496	\$65,800	\$72,379
10	9	\$59,484	\$63,649	\$68,103	\$74,913
11	10		\$65,877	\$70,487	\$77,535
12	11		\$68,183	\$72,955	\$80,249
13	12			\$75,509	\$83,058
14 - 20	13			\$78,152	\$85,966
21+	L1*	\$61,269	\$70,229	\$80,497	\$88,545

* Completion of 20 years of service and at maximum for pay grade.

FIRE/RESCUE BARGAINING UNIT SALARY SCHEDULE

FISCAL YEAR 2009

EFFECTIVE JULY 6, 2008

<u>GRADE</u>	<u>F1 FIRE FIGHTER RESCUER I</u>	<u>F2 FIRE FIGHTER RESCUER II</u>	<u>F3 FIRE FIGHTER RESCUER III</u>	<u>F4 MASTER FIRE FIGHTER RESCUER</u>	<u>B1 FIRE/RESCUE LIEUTENANT</u>	<u>B2 FIRE/RESCUE CAPTAIN</u>
A	\$40,797	\$42,837	\$44,979	\$49,477	\$54,430	\$61,377
B	\$42,225	\$44,337	\$46,554	\$51,209	\$56,336	\$63,526
C	\$43,703	\$45,889	\$48,184	\$53,002	\$58,308	\$65,750
D	\$45,233	\$47,496	\$49,871	\$54,858	\$60,349	\$68,052
E	\$46,817	\$49,159	\$51,617	\$56,779	\$62,462	\$70,434
F	\$48,456	\$50,880	\$53,424	\$58,767	\$64,649	\$72,900
G	\$50,152	\$52,661	\$55,294	\$60,824	\$66,912	\$75,452
H	\$51,908	\$54,505	\$57,230	\$62,953	\$69,254	\$78,093
I	\$53,725	\$56,413	\$59,234	\$65,157	\$71,678	\$80,827
J	\$55,606	\$58,388	\$61,308	\$67,438	\$74,187	\$83,656
K	\$57,553	\$60,432	\$63,454	\$69,799	\$76,784	\$86,584
L	\$59,568	\$62,548	\$65,675	\$72,242	\$79,472	\$89,615
M	\$61,653	\$64,738	\$67,974	\$74,771	\$82,254	\$92,752
N	\$63,811	\$67,004	\$70,354	\$77,388	\$85,133	\$95,999
O	\$66,045	\$69,350	\$72,817	\$80,097	\$88,113	\$99,359
LS*	\$68,357	\$71,778	\$75,366	\$82,901	\$91,197	\$102,837

* Completion of 20 years of service.

FIRE/RESCUE BARGAINING UNIT SALARY SCHEDULE

FISCAL YEAR 2009

EFFECTIVE JANUARY 4, 2009

<u>GRADE</u>	<u>F1 FIRE FIGHTER RESCUER I</u>	<u>F2 FIRE FIGHTER RESCUER II</u>	<u>F3 FIRE FIGHTER RESCUER III</u>	<u>F4 MASTER FIRE FIGHTER RESCUER</u>	<u>B1 FIRE/RESCUE LIEUTENANT</u>	<u>B2 FIRE/RESCUE CAPTAIN</u>
A	\$41,613	\$43,694	\$45,879	\$50,467	\$55,519	\$62,605
B	\$43,070	\$45,224	\$47,485	\$52,234	\$57,463	\$64,797
C	\$44,578	\$46,807	\$49,147	\$54,063	\$59,475	\$67,065
D	\$46,139	\$48,446	\$50,868	\$55,956	\$61,557	\$69,413
E	\$47,754	\$50,142	\$52,649	\$57,915	\$63,712	\$71,843
F	\$49,426	\$51,897	\$54,492	\$59,943	\$65,942	\$74,358
G	\$51,156	\$53,714	\$56,400	\$62,042	\$68,250	\$76,961
H	\$52,947	\$55,594	\$58,374	\$64,214	\$70,639	\$79,655
I	\$54,801	\$57,540	\$60,418	\$66,462	\$73,112	\$82,443
J	\$56,720	\$59,554	\$62,533	\$68,789	\$75,671	\$85,329
K	\$58,706	\$61,639	\$64,722	\$71,197	\$78,320	\$88,316
L	\$60,761	\$63,797	\$66,988	\$73,689	\$81,062	\$91,408
M	\$62,888	\$66,030	\$69,333	\$76,269	\$83,900	\$94,608
N	\$65,090	\$68,342	\$71,760	\$78,939	\$86,837	\$97,920
O	\$67,369	\$70,734	\$74,272	\$81,702	\$89,877	\$101,348
LS*	\$69,727	\$73,210	\$76,872	\$84,562	\$93,023	\$104,896

* Completion of 20 years of service.

FIRE/RESCUE MANAGEMENT SALARY SCHEDULE

FISCAL YEAR 2009

EFFECTIVE JULY 6, 2008

<u>GRADE</u>	<u>RANK</u>	<u>MINIMUM</u>	<u>MAXIMUM</u>	<u>LONGEVITY*</u>
B3	FIRE/RESCUE BATTALION CHIEF	\$68,835	\$114,392	\$118,396
B4	FIRE/RESCUE ASSISTANT CHIEF	\$75,171	\$125,822	\$130,226
B6	FIRE/RESCUE DIVISION CHIEF	\$85,928	\$142,663	\$147,657

* Completion of 20 years of service.

FIRE/RESCUE MANAGEMENT SALARY SCHEDULE

FISCAL YEAR 2009

EFFECTIVE JANUARY 4, 2009

<u>GRADE</u>	<u>RANK</u>	<u>MINIMUM</u>	<u>MAXIMUM</u>	<u>LONGEVITY*</u>
B3	FIRE/RESCUE BATTALION CHIEF	\$70,212	\$116,680	\$120,764
B4	FIRE/RESCUE ASSISTANT CHIEF	\$76,675	\$128,339	\$132,831
B6	FIRE/RESCUE DIVISION CHIEF	\$87,647	\$145,517	\$150,611

* Completion of 20 years of service.

POLICE MANAGEMENT SALARY SCHEDULE

FISCAL YEAR 2009

EFFECTIVE JULY 6, 2008

<u>GRADE</u>	<u>RANK</u>	<u>MINIMUM</u>	<u>MAXIMUM</u>	<u>LONGEVITY*</u>
A2	POLICE LIEUTENANT	\$74,352	\$111,992	\$115,912
A3	POLICE CAPTAIN	\$84,677	\$127,934	\$132,412

* Completion of 20 years of service.

POLICE BARGAINING UNIT SALARY SCHEDULE

FISCAL YEAR 2009

EFFECTIVE JULY 6, 2008

<u>STEP</u>	<u>YEAR</u>	<u>PO I</u>	<u>PO II</u>	<u>PO III</u>	<u>MPO</u>	<u>SGT</u>
0	1	\$46,972	\$49,321	\$51,788	\$54,378	\$59,816
1	2	\$48,617	\$51,048	\$53,601	\$56,282	\$61,910
2	3	\$50,319	\$52,835	\$55,478	\$58,252	\$64,077
3	4	\$52,081	\$54,685	\$57,420	\$60,291	\$66,320
4	5	\$53,904	\$56,599	\$59,430	\$62,402	\$68,642
5	6	\$55,791	\$58,580	\$61,511	\$64,587	\$71,045
6	7	\$57,744	\$60,631	\$63,664	\$66,848	\$73,532
7	8	\$59,766	\$62,754	\$65,893	\$69,188	\$76,106
8	9	\$61,858	\$64,951	\$68,200	\$71,610	\$78,770
9	10	\$64,024	\$67,225	\$70,587	\$74,117	\$81,527
10	11	\$66,265	\$69,578	\$73,058	\$76,712	\$84,381
11	12	\$68,585	\$72,014	\$75,616	\$79,397	\$87,335
12	13	\$70,986	\$74,535	\$78,263	\$82,176	\$90,392
13	14	\$73,471	\$77,144	\$81,003	\$85,053	\$93,556
14	15 - 20	\$76,043	\$79,845	\$83,839	\$88,030	\$96,831
L1*	21+	\$78,705	\$82,640	\$86,774	\$91,112	\$100,221

* Completion of 20 years of service.

CORRECTIONAL MANAGEMENT SALARY SCHEDULE

FISCAL YEAR 2009

EFFECTIVE JULY 6, 2008

<u>GRADE</u>	<u>RANK</u>	<u>MINIMUM</u>	<u>MAXIMUM</u>	<u>LONGEVITY*</u>
C1	CORRECTIONAL SHIFT COMMANDER (LT)	\$56,914	\$92,136	\$94,901
C2	CORRECTIONAL TEAM LEADER (CAPT)	\$62,606	\$101,350	\$104,391

* Completion of 20 years of service and at maximum of pay grade.

CORRECTIONAL OFFICER SALARY SCHEDULE

FISCAL YEAR 2009

EFFECTIVE JULY 6, 2008

<u>STEP</u>	<u>YEAR</u>	<u>CO I</u>	<u>CO II</u>	<u>CO III</u>	<u>SGT</u>
1	0	\$40,538	\$42,565	\$46,822	\$51,739
2	1	\$41,957	\$44,055	\$48,461	\$53,550
3	2	\$43,426	\$45,597	\$50,158	\$55,425
4	3	\$44,946	\$47,193	\$51,914	\$57,365
5	4	\$46,520	\$48,845	\$53,731	\$59,373
6	5	\$48,149	\$50,555	\$55,612	\$61,452
7	6	\$49,835	\$52,325	\$57,559	\$63,603
8	7	\$51,580	\$54,157	\$59,574	\$65,830
9	8	\$53,386	\$56,053	\$61,660	\$68,135
10	9	\$55,255	\$58,015	\$63,819	\$70,520
11	10	\$57,189	\$60,046	\$66,053	\$72,989
12	11	\$59,191	\$62,148	\$68,365	\$75,544
13	12		\$64,324	\$70,758	\$78,189
14	13				\$80,926
15	14 - 20				\$83,759
L1*	21+	\$60,967	\$66,254	\$72,881	\$86,272

* Completion of 20 years of service and at maximum for pay grade.

Fraternal Order of Police, Lodge 35 Fiscal Impact Summary

<u>Article</u>	<u>Item</u>	<u>Description</u>	<u>FY09</u>	<u>FY10</u>
24	Prescription Drug Coverage	Paygo impact: County contribution fixed to 80% of standard option (employee may buy-up at their own cost), restrict generics, incentivize mail order; increase high option copayments to \$5/\$10 OPEB impact: \$2.2 million reduction in the AAL	(106,750)	(213,500) (85,710)
57	DROP/ Credited Service	Establish DROP program; increase credited service to a maximum of 36 years, including sick leave credits; and establish eligibility for unreduced pension with 25 years of service, regardless of age (\$6.0 million increase in AAL) ¹		803,000
Total Fiscal Impact			\$ (106,750)	\$503,790

¹ The Board of Investment Trustees may incur additional recordkeeping costs of approximately \$25,000.

Municipal and County Government Employees Organization, Local 1994 Fiscal Impact Summary

<u>Article</u>	<u>Item</u>	<u>Description</u>	<u>FY09</u>	<u>FY10</u>
21	Prescription Drug Coverage	Paygo impact: County contribution fixed to 80% of standard option (employee may buy-up at their own cost), restrict generics, incentivize mail order; high option copayments remain \$4/\$8 OPEB impact: \$7.0 million reduction in the AAL	(405,870)	(811,750) (385,710)
41	Social Security Integration	Group E: Increase social security integration multiplier from 1.25% to 1.65% (\$5.0 million increase in the AAL)		753,000
44	RSP/GRIP	Increase employer contributions from 6% to 8% effective July 2008; offer GRIP July 1, 2009; implement 6-month election period for employees hired on or after July 1, 2009 ¹	2,852,700	2,068,000
Total Fiscal Impact			\$2,446,830	\$1,623,540

¹ The Board of Investment Trustees may incur additional recordkeeping costs of approximately \$134,000.

Montgomery County Volunteer Fire Rescue Association Fiscal Impact Statement

<u>Article</u>	<u>Item</u>	<u>Description</u>	<u>FY09</u>	<u>FY10</u>	<u>FY11</u>
5	Association Expenses	County to increase funding to MCVFRA by \$50,000	\$50,000	\$50,000	\$50,000
5	Vehicle	New vehicle for Association business	-	-	40,000
5	Contract	Provide increased number of contracts	900	-	-
5	Firehouse Terminal	Provide one terminal, software, communications line, monitor, and printer	5,000	-	-
5	Awards Dinner	County to sponsor annual awards dinner in April	5,000	5,000	5,000
11	Turn-out Boots	All active members on the IECS (874) will be supplied with leather turn-out boots	-	-	233,350
11	Gear Bag	All active members on the IECS (874) will be supplied with a gear bag	-	-	39,330
12	Nominal Fee	Nominal fee of \$300 or \$500 in July 2009 and \$400 or \$600 in July 2010; LFRDs must have approved standby programs for volunteers to be eligible for the nominal fee	(212,600)	91,690	168,920
New	Drug Testing	Random drug testing	18,750	18,750	18,750
New	Online Classes	Training -- development of on-line courses	3,000	3,000	3,000
Total			(\$129,950)	\$168,440	\$558,350

**International Association of Fire Fighters, Local 1664
Fiscal Impact Statement**

<u>Article</u>	<u>Item</u>	<u>Description</u>	<u>FY09</u>	<u>FY10</u>	<u>FY11</u>
17.1	Assignment Pay	Primary and backup scheduler differential effective July 2008	\$8,870	\$67,180	\$67,180
		Hazardous materials, breathing apparatus technician certification, fire code, fire investigation, urban search and rescue, swift water rescue, and scheduler assignment pay increase to \$1,837 July 2009			
17.2	Special Pay Differentials	EMT and CRT certification pay and hourly differentials. CRT/CRT-I: \$4,515; EMT-P - \$6,080 (0-4 years), \$7,391 (5-8 years), \$8,701 (8+ years); hourly differentials increase by \$2.00 July 2010	-	-	199,670
19	Wages	GWA and service increments. 2% July 2008; 2% January 2009; 4% New longevity adjustment at 28 years of service July 2009	4,282,840	10,597,550	18,968,710
			-	303,910	303,910
20	Insurance	Paygo impact: County contribution fixed to 80% of standard option (employee may buy-up at their own cost), restrict generics, incentivize mail order; high option copayments remain \$4/\$8	(108,260)	(216,510)	(216,510)
		OPEB impact: \$2.4 million reduction in the AAL	-	(128,570)	(162,860)
51	Pensions	Expansion of the list of illnesses for which an employee is automatically entitled to a service-connected disability retirement (\$1.6 million increase in AAL)	-	199,000	199,000
54	Tuition Assistance	Increase the maximum allowable \$100 each fiscal year to \$1,630, \$1,730, and \$1,830 in FY09 through FY11, respectively	5,910	11,830	13,720
57	ECC	Increase ECC certification pay to \$2,000 annually beginning July 2009	-	19,380	19,380
22	Prevailing Rights	Bottled water provided at each station	30,000	30,000	30,000
Side Letter	Drug Testing	Random drug testing	15,000	15,000	15,000
Side Letter	Parking	Worksite parking improvements	31,500	31,500	31,500
Total			\$4,265,860	\$10,930,270	\$19,468,700

**Fire and Rescue Service Management
Fiscal Impact Statement**

<u>Item</u>	<u>Description</u>	<u>FY09</u>	<u>FY10</u>	<u>FY11</u>
Wages	GWA and service increments. 2% July 2008; 2% January 2009; 4% July 2009; 3.5% July 2010; schedule adjustment July 2010	\$250,150	\$679,530	\$1,285,300
	New longevity adjustment at 28 years of service July 2009	-	152,430	152,430
Insurance	Paygo impact: County contribution fixed to 80% of standard option (employee may buy-up at their own cost), restrict generics, incentivize mail order; high option copayments remain \$4/\$8	(4,870)	(9,750)	(9,750)
Pensions	Expansion of the list of illnesses for which an employee is automatically entitled to a service-connected disability retirement (\$89,000 increase in AAL)	-	9,000	9,000
Drug Testing	Random drug testing	530	530	530
Total		\$245,810	\$831,740	\$1,437,510

Pass-Through Costs for Non-represented Employees Fiscal Impact Summary

<u>Item</u>	<u>Description</u>	<u>FY09</u>	<u>FY10</u>
All Non-represented Employees			
Prescription Drug Coverage	Paygo impact: County contribution fixed to 80% of standard option (employee may buy-up at their own cost), restrict generics, incentivize mail order; increase high option copayments to \$5/\$10	(211,410)	(422,810)
	OPEB impact: \$4.4 million reduction in the AAL		(257,140)
Non-represented Public Safety Employees Only			
Social Security Integration (Group E)	Group E: Increase social security integration multiplier from 1.25% to 1.65% (\$2.6 million increase in the AAL)		279,000
DROP/ Credited Service	Group F: Establish DROP program; increase credited service to a maximum of 36 years, including sick leave credits; and establish eligibility for unreduced pension with 25 years of service, regardless of age (\$898,000 increase in AAL)		111,000
Other Non-represented Employees Only			
RSP/GRIP	Increase employer contributions from 6% to 8% effective July 2008; offer GRIP July 1, 2009; implement 6-month election period for employees hired on or after July 1, 2009 ¹	\$1,592,980	1,197,000
County Retirees			
Prescription Drug Coverage	Paygo impact: County contribution fixed to 80% of standard option (employee may buy-up at their own cost), restrict generics, incentivize mail order; increase high option copayments to \$5/\$10	(471,370)	(942,730)
	OPEB impact: \$11.9 million reduction in the AAL		(257,140)
Total Non-represented Pass-through Costs		\$910,200	\$ (292,820)

¹ The Board of Investment Trustees may incur additional recordkeeping costs of approximately \$61,000.

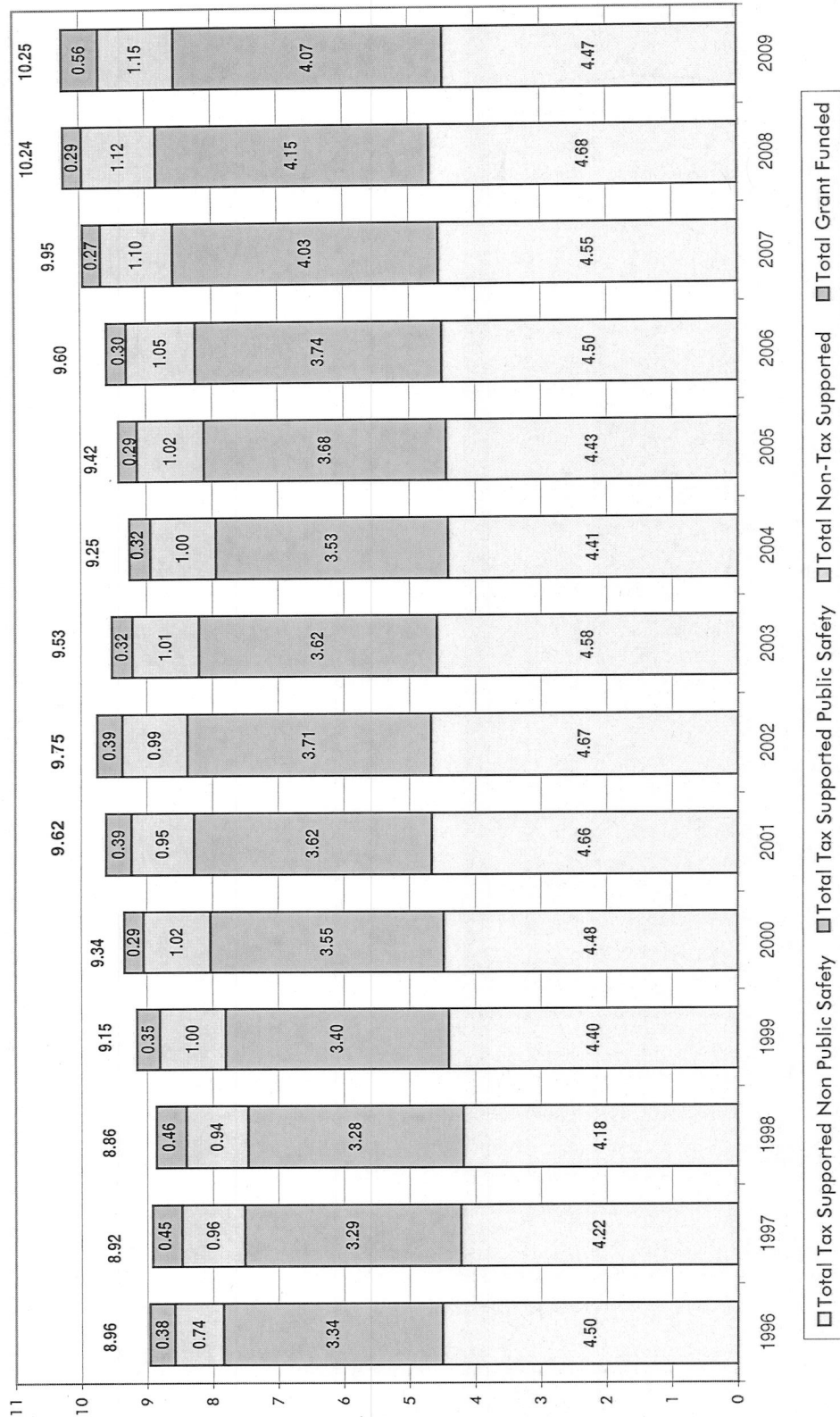
TOTAL COUNTY COST OF EMPLOYEE BENEFITS

DEPARTMENT	SOCIAL SECURITY	GROUP INSURANCE	RETIREMENT	TOTAL
General Fund Tax Supported				
Legislative				
Board of Appeals	32,860	24,650	53,400	110,910
County Council	479,720	685,900	820,200	1,985,820
Inspector General	36,800	32,200	40,470	109,470
Legislative Oversight	63,910	116,500	142,720	323,130
Merit System Protection Board	7,920	15,600	10,680	34,200
People's Counsel	12,340	1,530	33,280	47,150
Zoning & Administrative Hearings	25,340	24,250	30,140	79,730
Judicial				
Circuit Court	453,130	729,200	831,430	2,013,760
State's Attorney	676,010	948,970	1,103,360	2,728,340
General Government				
Board of Elections	172,400	201,270	180,840	554,510
Commission for Women	63,430	90,270	114,530	268,230
County Attorney	268,890	266,290	578,520	1,113,700
County Executive	309,560	491,240	551,630	1,352,430
Ethics Commission	14,050	22,160	40,970	77,180
Finance	498,280	972,300	929,580	2,400,160
General Services	774,040	1,875,570	1,726,710	4,376,320
Human Resources	297,880	303,780	499,310	1,100,970
Human Rights	124,670	165,040	305,150	594,860
Intergovernmental Relations	38,030	40,930	69,930	148,890
Management and Budget	213,690	246,190	350,640	810,520
Public Information	58,780	77,850	166,010	302,640
Regional Services Centers	191,560	263,380	471,880	926,820
Technology Services	1,033,020	1,515,440	1,746,570	4,295,030
Public Safety				
Consumer Protection	135,240	216,210	391,790	743,240
Correction and Rehabilitation	3,022,980	5,815,940	9,327,030	18,165,950
Emergency Management and Homeland Security	66,160	102,840	136,510	305,510
Police	10,229,730	19,266,740	35,048,500	64,544,970
Sheriff	967,210	1,707,500	2,860,360	5,535,070
Public Works and Transportation				
Transportation	1,418,740	3,372,850	3,105,170	7,896,760
Health and Human Services				
Health and Human Services	6,515,230	11,932,030	10,437,740	28,885,000
Culture and Recreation				
Public Libraries	1,762,160	3,485,980	3,444,800	8,692,940
Community Development and Housing				
Economic Development	276,470	455,350	397,740	1,129,560
Housing and Community Affairs	263,910	478,780	609,750	1,352,440
Environment				
Environmental Protection	201,010	354,760	326,480	882,250
Other County Government Functions				
NDA - Compensation Adjustment	-167,950	-38,870	-174,660	-381,480
NDA - Conference Center	7,110	5,360	7,430	19,900
NDA - State Positions Supplement	8,290	8,490	19,760	36,540
Total General Fund Tax Supported	30,552,600	56,274,470	76,736,350	163,563,420

TOTAL COUNTY COST OF EMPLOYEE BENEFITS

FUND	SOCIAL SECURITY	GROUP INSURANCE	RETIREMENT	TOTAL
Special Funds Tax Supported				
Economic Development	7,110	14,930	7,430	29,470
Fire	8,020,620	14,600,840	33,129,960	55,751,420
Mass Transit	3,270,390	8,014,790	4,859,400	16,144,580
Recreation	1,298,760	1,443,470	1,700,060	4,442,290
Urban District - Bethesda	3,510	9,660	3,670	16,840
Urban District - Silver Spring	107,080	192,710	104,210	404,000
Urban District - Wheaton	68,060	130,690	68,560	267,310
Total Special Funds Tax Supported	12,775,530	24,407,090	39,873,290	77,055,910
Total Tax Supported	43,328,130	80,681,560	116,609,640	240,619,330
Special Funds Non-Tax Supported				
Grant Fund - MCG	2,574,360	4,870,510	4,147,230	11,592,100
Cable Television	113,210	189,230	159,160	461,600
Montgomery Housing Initiative	66,300	125,850	119,610	311,760
Water Quality Protection Fund	101,670	192,610	164,660	458,940
Total Special Funds Non-Tax Supported	2,855,540	5,378,200	4,590,660	12,824,400
Enterprise Fund Non-Tax Supported				
Community Use of Public Facilities	133,280	293,800	228,810	655,890
Liquor Control	1,390,120	2,853,200	2,225,870	6,469,190
Parking District - Bethesda	107,320	190,840	181,490	479,650
Parking District - Montgomery Hills	2,160	3,770	3,460	9,390
Parking District - Silver Spring	116,650	199,810	185,250	501,710
Parking District - Wheaton	15,300	31,290	25,890	72,480
Permitting Services	1,307,620	2,271,690	2,811,500	6,390,810
Solid Waste Collection	65,450	113,680	127,990	307,120
Solid Waste Disposal	493,170	997,430	819,410	2,310,010
Vacuum Leaf Collection	197,760	398,410	319,040	915,210
Total Enterprise Fund Non-Tax Supported	3,828,830	7,353,920	6,928,710	18,111,460
Total Non-Tax Supported	6,684,370	12,732,120	11,519,370	30,935,860
Internal Service Funds				
Employee Health Benefit Self Insurance Fund	76,240	140,520	98,090	314,850
Motor Pool	1,064,960	2,190,250	1,588,090	4,843,300
Printing & Mail	132,490	230,050	318,630	681,170
Self Insurance	206,180	340,590	339,890	886,660
Total Internal Service Funds	1,479,870	2,901,410	2,344,700	6,725,980

**HISTORY OF APPROVED COUNTY GOVERNMENT WORKYEARS PER 1,000 POPULATION
BY FUNDING CATEGORY: FY96-FY08 Approved, FY09 Recommended**



Source: D-3